

MINUTES OF THE REGULAR MEETING  
**BOARD OF ADMINISTRATION**  
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

March 11, 2025

10:07 a.m.

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PRESENT:	President:	Annie Chao
	Vice President:	Janna Sidley
	Commissioners:	Thuy Huynh
		(arrived at 10:24 a.m.) Elizabeth Lee
		Gaylord "Rusty" Roten
		Michael R. Wilkinson
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Todd Bouey
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioner:	Sung Won Sohn

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*The Items in the Minutes are numbered to correspond with the Agenda.*

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Chao asked if any persons wanted to make a general public comment to which there were no public comment cards received.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Acting General Manager, advised the Board of the following items:
- WEP/GPO Repeal
  - Delaware Senate Bill 21
  - Discretionary COLA
  - Benefit Operations Update
  - Health Plan Administration Update

B. UPCOMING AGENDA ITEMS – Todd Bouey, Acting General Manager, advised the Board of the following items:

- Board Meeting on March 25, 2025: Actuarial Risk Assessment, and Fiscal Year 2026 Preliminary Proposed Budget

Commissioner Lee arrived at the meeting at 10:24 a.m.

C. RECOGNITION OF SERVICE FOR NEIL M. GUGLIELMO, LACERS GENERAL MANAGER – Todd Bouey, Acting General Manager, and the Commissioners recognized Neil's service to the LACERS and the City of Los Angeles.

President Chao took item VIII-A out of order and recessed the Regular meeting at 10:37 a.m. to convene in closed session.

### VIII

#### LEGAL/LITIGATION

A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) AND (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED LACERA V. COUNTY OF LOS ANGELES (CASE NO. S286264)**

President Chao reconvened the regular meeting at 11:40 a.m. with nothing to report, recessed the meeting for a break at 11:41 a.m., and reconvened the meeting at 11:45 a.m.

### III

#### RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING DECEMBER 31, 2024 – This report was received by the Board and filed.
- D. 2024 ANNUAL REPORT ON LACERS ORGANIZATION DIVERSITY SURVEY – This report was received by the Board and filed.

### IV

#### COMMITTEE REPORT(S)

A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 25, 2025 – Commissioner Wilkinson stated the Committee approved the Board

Rules Related to Member and Benefits Administration, 2025 LACERS Well Update, Workplan, Budget, and Amendment to the Benefits Administration Committee Charter and Work Plan.

Commissioner Roten moved approval of Consent Agenda Item V-A, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sidley, and President Chao -6; Nays, None.

V

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF FEBRUARY 11, 2025 AND POSSIBLE BOARD ACTION

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. REQUEST TO APPROVE AWARD OF EXTERNAL AUDIT CONTRACT TO MOSS ADAMS LLP AND POSSIBLE BOARD ACTION – Colin Tran, Internal Auditor III, presented and discussed this item with the Board for three minutes. Commissioner Lee moved approval of the following Resolution:

**CONTRACT WITH MOSS ADAMS LLP  
FOR EXTERNAL AUDITING SERVICES**

**RESOLUTION 250311-A**

WHEREAS, LACERS desires to engage the services of a public accounting firm to provide external auditing services, included but not limited to: (1) performing the audit to express an opinion on fair presentation of LACERS' basic financial statements (Retirement Plan & Postemployment Health Care Plan); (2) performing the audit to express an opinion on schedules related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions; (3) performing the audit to express an opinion on fair presentation of LACERS' 977 Building operations basic financial statements and notes to financial statements (4) issuing a separate audit opinion on Section 115 Trust Fund financial statements; and (5) providing ongoing advisory services regarding GASB pension accounting and reporting requirements, as well as technical matters related to filing for the Certificate in Excellence in Financial Reporting from the Governmental Finance Officers Association;

WHEREAS, LACERS issued a Request for Proposal for External Auditor on November 5, 2024 and received six proposals for the external auditing engagement by the December 9, 2024 deadline; and,

WHEREAS, Moss Adams LLP was selected by a review panel as the best qualified firm to meet LACERS' needs;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a contract with Moss Adams,

and authorizes the General Manager to execute the necessary documents, within the following terms, subject to City Attorney review:

EXTERNAL AUDITOR: Moss Adams LLP

TERM: July 1, 2025 to June 30, 2028

AMOUNT: \$393,000, as follows:

- FYE June 30, 2025 Audit Fee - \$129,000
- FYE June 30, 2026 Audit Fee - \$131,000
- FYE June 30, 2027 Audit Fee - \$133,000

Which motion was seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sidley, and President Chao -6; Nays, None.

B. 2025 LACERS WELL UPDATE, WORKPLAN, BUDGET AND POSSIBLE BOARD ACTION – James Kawashima, Senior Benefits Analyst II, Alejandra Zuniga, Benefits Analyst, and Kristal Baldwin, Benefits Analyst, presented and discussed this item with the Board for 11 minutes. Commissioner Wilkinson moved approval of the following Resolution:

**2025 BUDGET FOR LACERS WELLNESS PROGRAM AND DELEGATION OF AUTHORITY  
TO THE GENERAL MANAGER**

**RESOLUTION 250311-B**

WHEREAS, the Los Angeles City Employees' Retirement System (LACERS) developed the LACERS Well program to support and improve the health of Retired Members;

WHEREAS, the health plan carriers provide annual funding to the LACERS Well programs;

WHEREAS, LACERS Well has contracted with vendors to provide services and activities to help Retired Members better manage their health while minimizing long-term healthcare costs;

WHEREAS, the Calendar Year 2025 Wellness Program budget provides funds for expenditures related to wellness events;

WHEREAS, Charter Section 343(b) and Administrative Code Section 5.36, provides authority to the head of the department, the LACERS Board of Administration, to transfer between budgetary items, within limits prescribed by the City Administrative Officer;

WHEREAS, the Board is authorized to delegate to the General Manager to move funds in order to meet priorities in the most efficient and timely manner;

NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Approve the 2025 LACERS Well Budget; and,

2. Authorize the General Manager or designee to transfer funds between Wellness budget accounts, as necessary, within the approved 2025 budget.

<b>Account/ Expense</b>	<b>Budget</b>
1000: Fitness Events (Zumba, Dancing, 5k)	\$6,000
2000: Workshops (Technology, Financial Planning, Disaster Prep)	\$7,000
3000: Community Events	\$1,000
4000: Informational Meetings (Meet the Dr., Lunch & Learns, Carrier Summit)	\$9,000
5000: Champion Meetings/ Wellness Staff Activities	\$10,000
6000: Passport to Health Initiatives (Gift Cards via Keenan)	\$3,000
7000: Technology Courses (Mom's Computer Contract)	\$18,000
8000: Fitness Instruction (Personal Wellness Corp. Contract)	\$17,000
9000: Older Adult Education Seminars (Foundation for Senior Services Contract)	\$8,000
10000: Open Enrollment Meetings	\$70,000
11000: Mailings	\$5,000
12000: Promotional Items (Custom items, promotional videos)	\$12,000
13000: Training	\$5,000
14000: Salaries, Overtime, Mileage	\$123,500
15000: Various Instructional Classes (St. Barnabas Senior Center of Los Angeles Contract)	\$3,000
16000: Kaiser Permanente Education (Webinars)	\$1,000
17000: HWABD Vehicle	\$80,000
<b>Total</b>	<b>\$378,500</b>

Which motion was seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sidley, and President Chao -6; Nays, None.

- C. AMENDMENT TO THE BENEFITS ADMINISTRATION COMMITTEE CHARTER AND POSSIBLE BOARD ACTION – Margaret Drenk, Senior Benefits Analyst II, and Tenah Johnson-Taylor, Senior Benefits Analyst I, presented and discussed this item with the Board for two minutes. Commissioner Wilkinson moved approval, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sidley, and President Chao -6; Nays, None.
- D. BOARD RULES RELATED TO MEMBER BENEFITS ADMINISTRATION AND POSSIBLE BOARD ACTION – Estella Priebe, Senior Benefits Analyst I, and Susann Hernandez, Senior Benefits Analyst I, presented and discussed this item with the Board for four minutes. Vice President Sidley moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sidley, and President Chao -6; Nays, None.

## VII

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.15 billion as of March 10, 2025; and Volatility Index at 28.05. Rod June discussed the following items:

#### MARKET CONDITIONS AND LACERS ASSET ALLOCATION:

- a. Global market and market volatility commentary
- b. LACERS has a well-diversified portfolio that mitigates risk
- c. LACERS continues to manage its asset allocation policy
- d. NEPC will present the new asset allocation implementation plan next month

#### FUTURE AGENDA ITEMS:

- a. Total Fund Portfolio Performance Review for the period ending Dec 31, 2024
- b. Investment Manager Contract Renewal
- c. Consent of a Management Contract
- d. Real Estate Opportunity

#### ANNOUNCEMENTS:

- a. The Investment Division will host a summer intern through the Girls Who Invest Internship Program

- B. CONSENT OF MANAGEMENT TRANSITION AND RELATED CONSENT MATTERS REGARDING CONTRACT WITH CERBERUS INSTITUTIONAL REAL ESTATE PARTNERS V, L.P. AND POSSIBLE BOARD ACTION – Felix Fels, Associate Partner, with the Townsend Holdings LLC, and Daniel Becerra, Investment Officer I, presented and discussed this item with the Board for four minutes. Commissioner Lee moved approval of the following Resolution:

### **CONSENT TO ASSIGN CONTRACT WITH CERBERUS INSTITUTIONAL REAL ESTATE PARTNERS V, L.P.**

#### **RESOLUTION 250311-C**

WHEREAS, LACERS has a real estate investment in Cerberus Institutional Real Estate Partners V, L.P. which is managed by Cerberus Capital Management L.P. (Cerberus); and,

WHEREAS, Cerberus has entered into a management transition; and,

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with Cerberus, the change in control of Cerberus is deemed to be a contract assignment that requires written consent of the Board; and,

WHEREAS, staff has conducted initial discussions with Cerberus representatives and staff proposes ongoing monitoring and due diligence of Cerberus through the end of 2025.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the management change of LACERS' existing contract with Cerberus; and authorizes the Acting General Manager or his designee to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Which motion was seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sidley, and President Chao -6; Nays, None.

#### VIII

President Chao recessed the Regular meeting at 12:21 p.m. to convene in closed session.

#### LEGAL/LITIGATION

- B. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)**
- C. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)**

President Chao reconvened the Regular meeting at 12:42 p.m. with nothing to report.

#### IX


OTHER BUSINESS – There was no other business.


#### X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 25, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:43 p.m.

  
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Todd Bouey  
Manager-Secretary

  
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Annie Chao  
President